



**Maryland**  
Energy  
Administration

Larry Hogan, Governor  
Boyd K. Rutherford, Lt. Governor  
Mary Beth Tung, Director

## **Notice of Grant Availability** **MEA Commercial & Industrial Grant Program**

**Program Description:** The Maryland Energy Administration (“MEA”) is providing the Fiscal Year 2019 Commercial & Industrial Grant Program (“FY19 C&I Program”) to Maryland commercial and industrial entities for the implementation of energy efficiency and conservation improvement projects to their existing or to-be-constructed facilities.

**Program Budget:** Up to \$1.2 million is available for the C&I Program in Fiscal Year 2019, subject to availability.

**Application Due Date:** Applications are due no later than, 11:59 P.M. December 17, 2018

**Type of Grant Program:** The FY19 C&I Program is a competitive program.

**Incentive Amounts:** Based upon the type of project, incentive amounts are calculated as follows:

Total Eligible projects must add up to at least \$20,000 before the deduction of leveraged funds (rebates, incentives, etc.). Award amounts will be calculated at rates based upon three (3) tiers of electricity savings, within the confines of the available budget:

### **Existing Facilities**

- **Tier 1** – Corresponds to 15% - 20% reduction in overall electricity usage.  
Incentive Level: Up to 30% of net total project cost (after the deduction of incentives, rebates, and other leveraged funds), or \$150,000, whichever is lower;
- **Tier 2** – Corresponds to 20.1% - 25% reduction in overall electricity usage.  
Incentive Level: Up to 40% of net total project cost (after the deduction of incentives, rebates, and other leveraged funds), or \$175,000, whichever is lower; or,
- **Tier 3** – Corresponds to 25.1%+ reduction in overall electricity usage.  
Incentive Level: Up to 50% of net total project cost (after the deduction of incentives, rebates, and other leveraged funds), or \$200,000, whichever is lower.

### **To-Be-Constructed Facilities**

- **Tier 1** – Corresponds to 15% - 20% reduction in overall electricity usage. Incentive Level: Up to 30% of Net Project Incremental Cost (defined as Total Cost minus all other incentives, rebates, and leveraged funds AND the cost of energy code-minimum technology, equipment, or building materials/envelope measures), or \$150,000, whichever is lower
- **Tier 2** – Corresponds to 20.1% - 25% reduction in overall electricity usage. Incentive Level: Up to 40% of Net Project Incremental Cost (defined as Total Cost minus all other incentives, rebates, and leveraged funds AND the cost of energy code-minimum technology, equipment, or building materials/envelope measures), or \$175,000, whichever is lower
- **Tier 3** – Corresponds to 25.1%+ reduction in overall electricity usage. Incentive Level: Up to 50% of Net Project Incremental Cost (defined as Total Cost minus all other incentives, rebates, and leveraged funds AND the cost of energy code-minimum technology, equipment, or building materials/envelope measures), or \$200,000, whichever is lower

#### **Example:**

- Projected Percent Reduction in Electricity Usage: 23% (Tier 2 – Up to 40% of Net Total Project Cost)
- Total Project Cost: \$232,000
- Leveraged Funds: \$60,000
- Net Total Project Cost: \$172,000
- MEA Grant: \$172,000 x 40% = Up to \$68,800

Additional information on how to calculate incentive amounts is provided in the FY19 C&I Application Instructions document. Please note that MEA may request additional backup documentation further justifying stated project costs and/or alternative bids if the provided bids are deemed unreasonably high by the Evaluation Team.

#### **Eligible Applicants:**

- Commercial Businesses, except as described in the section entitled “Ineligible Entities” below
- Manufacturers & Other Industrial Entities
- Nonprofit Organizations
- Private Schools (Pre-K, K - 12)
- Community and Privately-owned Colleges and Universities

NOTE: Agricultural entities are welcome to apply to the C&I Program, but may first wish to explore the [Kathleen A.P. Mathias Agriculture Energy Efficiency Program](#). Please note, however, that MEA will not provide grant funding for the same energy conservation measure through two different grant programs.

**Ineligible Entities:**

- Data Centers (MEA provides energy efficiency incentives for data centers through its [Data Center Energy Efficiency Grant Program](#))
- Public Schools (Public schools are eligible to apply for low-interest loans for energy efficiency projects through [MEA's Jane E. Lawton Conservation Loan Program](#))
- Local Governments (Local government entities can participate in MEA's Maryland Smart Energy Communities program)
- A contractor designing and/or performing the energy efficiency project installations may not apply for a grant to be installed on a client's facility

**Eligible Facilities:**

The FY19 C&I Program is available for projects that reduce electricity consumption of existing facilities, or dedicated spaces within facilities, through energy efficiency. In new construction, it can also be used to help fund the incremental costs of installing electricity-using equipment that exceeds minimal energy code requirements.

NOTE: A dedicated space is a partitioned space within an overall facility with a clearly distinguished purpose from the rest of the facility. If not separately metered for electricity, the Applicant organization must be able to derive and document consumption of the dedicated space from the overall energy charges.

**Project Evaluation Process and Criteria:**

Applications will be accepted by MEA and each will have its respective electricity reduction tier (Tier 1, Tier 2, or Tier 3) verified. Applications will then be ranked and evaluated based on the following criteria.

**Energy Savings**

**Projects with electricity reductions less than 15% are not eligible for award through this program.**

Eligible projects must reduce aggregate annual electricity consumption as follows:

- For projects with one project site:

- Annual electricity consumption for the whole building, or treated space within a building, by 15.0% - 20.0% to qualify for the Tier 1 incentive, by 20.1% - 25.0% to qualify for the Tier 2 incentive, and by 25.1% or more to qualify for the Tier 3 incentive.
- For projects with multiple sites:
  - Aggregate annual electricity consumption for the **project as a whole** must be reduced by 15.0% - 20.0% to qualify for the Tier 1 incentive, by 20.1% - 25.0% to qualify for the Tier 2 incentive, and by 25.1% or more to qualify for the Tier 3 incentive.
  - The electricity reduction for each site must be at least 15.0% of the individual site's baseline consumption.

### **Minimum Requirements**

At minimum, each proposed project must meet the following requirements:

- Be located in an existing facility, or to-be-constructed facility, within the State of Maryland which is owned or leased by the Applicant organization;
- **Reduce total facility energy) consumption by at least 15% of its baseline consumption on a kWh/year basis** (or projected consumption for to-be-constructed facilities).
- Must be cost-effective—where cost-effectiveness is defined as an overall simple payback **before the application of rebates, incentives, and other leveraged funds** of no more than the life expectancy of proposed technology;
- Be comprised of at least two (2) energy conservation measures (“ECMs”) that replace or improve existing equipment, technology, or building envelope/materials (or, for to-be-constructed facilities, prevent the installation of code-minimum technology, equipment, or building envelope/materials);
  - Specifications for individual ECMs must exceed minimum energy code requirements.
- Have a total cost, **before the application of rebates, incentives, and other leveraged funds**, of at least \$20,000.
- If located within one of Maryland’s five major utility service territories (BGE, PEPCO, Potomac-Edison, Delmarva Power & Light, SMECO) that offer EmPOWER utility rebates for energy efficiency measures, Applicants must either apply for eligible measures within their projects or submit formal intent to MEA to apply.

Calculating Energy Consumption Baselines: Eligible projects must establish an energy consumption baseline for the facilities or dedicated spaces they propose to upgrade. A baseline is considered:

- Existing Facilities: Consumption data from the most recent 12 consecutive months' utility bills. Consumption information for past months is available from the utility provider.
- To-be-constructed Facilities: 12 consecutive months' projected energy usage assuming the installation of energy code-minimum equipment, technology, building materials, etc. Further details on how to calculate this baseline can be found in the FY19 C&I Application Instructions document.

Applications will be ranked based on the quality of the following requirements:

- Amount of Electricity saved, with a minimum 15% overall reduction in electricity use
- Accuracy of Energy Savings Data
  - The Applicant Organization must support the anticipated energy savings estimate for its project through sufficient backup documentation. The method which poses the least risk and most fully supports estimated energy savings is through a third-party energy audit of the facility/dedicated space. Alternative methods which are accepted, but not the most ideal, are audits conducted by the contractor selected to implement the project, or estimates performed using the Mid-Atlantic Technical Reference Manual. In order to be deemed eligible, the energy savings estimates must adequately and reasonably support the claimed energy savings.
  - While MEA will follow-up to clarify minor questions regarding energy savings estimate methodology, any energy savings estimates deemed to be missing or insufficient may result in an application being categorized as ineligible by MEA.
- Number of Energy Conservation Measures ("ECMs") Implemented
  - The project must implement at least two (2) ECMs. MEA reserves the right to determine what constitutes two (2) ECMs.
- Cost-effectiveness & Leveraged Funds
  - Payback of any given single energy measure cannot exceed twenty (20) years.
  - Applicants located within one of Maryland's five major utilities which provide commercial/business energy efficiency incentives must apply for or submit a formal letter of intent to apply for all incentives available for the ECMs in their projects.
- Project Feasibility
  - The project must be completed within eighteen (18) months of the execution of a Grant Agreement with MEA.

#### Restrictions and Additional Requirements:

- **Renewable energy measures are not eligible for funding under the C&I Program.** Applicants employing renewable energy measures may be eligible for alternative funding for these measures from MEA's [Commercial Clean Energy Grant Program](#).

- **Fuel switching measures are not eligible for funding under the C&I Program.** Fuel switching is considered switching from one energy fuel type to another with little, negligible, or no net reduction in energy consumption.
- **C&I Grant Program funds cannot be provided for Combined Heat and Power (“CHP”) systems.** Applicants seeking incentive dollars for a CHP system should explore MEA’s [Combined Heat and Power Grant Program](#).
- Prior to the start of construction, each project selected for funding must be reviewed by the Maryland Historic Trust (“MHT”) or MEA’s qualified historic preservation specialist on staff to ensure that no historic property (or property located within a historic district) will be adversely impacted by the project’s implementation. MEA may require that the Grantee provide additional information concerning the project site in order to complete the historic preservation review. ECMs which create an adverse impact to the historical significance of a property cannot receive grant funding.
- MEA reserves the right to obligate all or none of the FY19 C&I Program budget, based on the quality and eligibility of applications submitted to MEA.
- MEA reserves the right to award all or a portion of a selected Grantee’s requested grant amount based upon funding availability and the quality, eligibility, and quantity of applications submitted to MEA.
- Grant funds cannot be issued for ECMs purchased or installed prior to the execution of a Grant Agreement between the Grantee and MEA.
- A project that receives a Grant must be completed and MEA or its authorized representatives must conduct a post-installation site inspection before funds can be reimbursed to the Grantee.

#### Required Application Documents:

1. **MEA Application:** Applicants are encouraged to apply electronically using MEA’s online application form, located [here](#). Alternatively, Applicants may also use the paper application form, available from MEA upon request.
2. **Energy Baseline Documents:** For projects that will be implemented in existing facilities or dedicated spaces, Applicants must submit a completed copy of the FY19 C&I Program Utility Summary spreadsheet as well as the associated 12 months of utility bills/data.

For projects that will be implemented in to-be-constructed facilities or dedicated spaces, Applicants must submit a completed copy of the FY19 C&I Program Projected Baseline Summary spreadsheet as well as associated calculations and assumptions documents.

See the FY19 C&I Application Instructions document for more information.

3. **Energy Savings Documentation:** Applicants must clearly document their proposed energy savings either through a facility/dedicated space Energy Audit (or modeling software if the project is in a to-be-constructed facility) or through modeling using the Mid-Atlantic Technical Reference Manual (“TRM”). **Applicants are encouraged to utilize Energy Audits/modeling software over TRM calculations.** See the FY19 C&I Application Instructions document for more information.
4. **Contractor Proposal(s):** Applicants must provide at least one (1) project proposal/bid from (a) qualified contractor(s). Applicants are encouraged, but not required, to solicit bids from multiple contractors.
5. **EmPOWER Utility Rebate Application(s)/Letter of Intent:** Applicants located within one of Maryland’s five major utility service territories must apply or submit formal intent to apply to the incentives offered by their utilities for eligible ECMs. Applicants who have applied must include copies of their completed applications, and applicants who have not yet applied must submit a letter of intent to apply.
6. **Project Timeline:** A detailed project timeline establishing milestones (such as project start, procurement, installation, etc.) must be provided. Applicants should use a Gantt chart or similar format.
7. **Certificate of Status from the [Maryland State Department of Assessments and Taxation \(“SDAT”\)](#):** Applicants must be in Good Standing with the State of Maryland.

**Additional Information:** For more information or assistance, please visit the [FY19 C&I Program webpage](#) or send an email to [ci.mea@maryland.gov](mailto:ci.mea@maryland.gov). Alternatively, contact Caitlin Madera at (410) 537-4074.